

whenever he determines that such insurance cannot be obtained on reasonable terms and conditions from any company authorized to conduct an insurance business in a State of the United States; and

- (3) delegate to the Secretary of Transportation the authority, vested in me by 49 U.S.C. 44306(b), to extend this determination for additional 60-day periods, when he finds that the continued operation of aircraft to be insured or reinsured is necessary in the interest of air commerce or the national security, or to carry out the foreign policy of the United States Government.

You are directed to bring this determination immediately to the attention of all air carriers within the meaning of 49 U.S.C. 40102(2), and to arrange for its publication in the *Federal Register*.

George W. Bush

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NOTE: This memorandum was released by the Office of the Press Secretary on September 24, and it was published in the *Federal Register* on September 25.

Remarks on United States Financial Sanctions Against Foreign Terrorists and Their Supporters and an Exchange With Reporters

September 24, 2001

The President. Good morning. At 12:01 this morning, a major thrust of our war on terrorism began with the stroke of a pen. Today we have launched a strike on the financial foundation of the global terror network.

Make no mistake about it, I've asked our military to be ready for a reason. But the American people must understand this war on terrorism will be fought on a variety of fronts, in different ways. The frontlines will look different from the wars of the past.

So I told the American people we will direct every resource at our command to win the war against terrorists, every means of di-

plomacy, every tool of intelligence, every instrument of law enforcement, every financial influence. We will starve the terrorists of funding, turn them against each other, rout them out of their safe hiding places, and bring them to justice.

I've signed an Executive order that immediately freezes United States financial assets of and prohibits United States transactions with 27 different entities. They include terrorist organizations, individual terrorist leaders, a corporation that serves as a front for terrorism, and several nonprofit organizations.

Just to show you how insidious these terrorists are, they oftentimes use nice-sounding, non-governmental organizations as fronts for their activities. We have targeted three such NGOs. We intend to deal with them, just like we intend to deal with others who aid and abet terrorist organizations. This Executive order means that United States banks that have assets of these groups or individuals must freeze their accounts. And United States citizens or businesses are prohibited from doing business with them.

We know that many of these individuals and groups operate primarily overseas, and they don't have much money in the United States. So we've developed a strategy to deal with that. We're putting banks and financial institutions around the world on notice. We will work with their governments, ask them to freeze or block terrorists' ability to access funds in foreign accounts. If they fail to help us by sharing information or freezing accounts, the Department of the Treasury now has the authority to freeze their banks' assets and transactions in the United States.

We have developed the international financial equivalent of law enforcement's "Most Wanted" list. And it puts the financial world on notice. If you do business with terrorists, if you support or sponsor them, you will not do business with the United States of America.

I want to assure the world that we will exercise this power responsibly. But make no mistake about it, we intend to, and we will, disrupt terrorist networks. I want to assure the American people that in taking this action and publishing this list, we're acting based

on clear evidence, much of which is classified, so it will not be disclosed. It's important as this war progresses that the American people understand we make decisions based upon classified information, and we will not jeopardize the sources; we will not make the war more difficult to win by publicly disclosing classified information.

And by the way, this list is just a beginning. We will continue to add more names to the list. We will freeze the assets of others as we find that they aid and abet terrorist organizations around the world. We've established a foreign terrorist asset tracking center at the Department of the Treasury to identify and investigate the financial infrastructure of the international terrorist networks. It will bring together representatives of the intelligence, law enforcement, and financial regulatory agencies to accomplish two goals: to follow the money as a trail to the terrorists—to follow their money so we can find out where they are—and to freeze the money to disrupt their actions.

We're also working with the friends and allies throughout the world to share information. We're working closely with the United Nations, the EU, and through the G-7/G-8 structure to limit the ability of terrorist organizations to take advantage of the international financial systems.

The United States has signed, but not yet ratified, two international conventions, one of which is designed to set international standards for freezing financial assets. I'll be asking Members of the U.S. Senate to approve the U.N. Convention on Suppression of Terrorist Financing and a related convention on terrorist bombings and to work with me on implementing the legislation.

We will lead by example. We will work with the world against terrorism. Money is the lifeblood of terrorist operations. Today, we're asking the world to stop payment.

Now, the Secretary of Treasury would like to say a few remarks, followed by Secretary Powell, then I'll answer a few questions.

[At this point, Treasury Secretary Paul H. O'Neill and Secretary of State Colin L. Powell made brief remarks.]

The President. Bill [Bill Plante, CBS News].

Usama bin Laden

Q. Mr. President, when will you publish the paper which Secretary Powell mentioned yesterday, outlining some of the proof that you have of the involvement of bin Laden and Al Qaida and others?

The President. The Secretary said that he'd be glad to talk about the paper. Let me first tell you that I gave a speech to the Nation last Thursday in which I spent a great deal of time talking about the Al Qaida organization as the first terrorist organization that we're going to deal with. And the reason I did is there is a lot of classified information that leads to one person, as well as one global terrorist organization.

But for those of you looking for a legal peg, we've already indicted Usama bin Laden. He's under indictment for terrorist activity. Our war is against terrorism—those who would conduct terrorist acts against the United States, those who sponsor them, those who harbor them, those who challenge freedom wherever it may exist.

And Mr. Secretary, if you'd like to make a comment on that.

Secretary Powell. I just might point out that he has been under indictment for the bombings of our Embassy. And as we gather information and as we talk to our friends and allies around the world and as we get more cooperation, more information is coming in with respect to his activities and the activities of this network. Most of it is classified, and as we look through it, and we can find areas that are unclassified, and it will allow us to share this information with the public, we will do so. That would be our intent. But most of it is classified.

But there's no question that this network, with this gentleman at the head—if one can call a terrorist a gentleman, just for purposes of illustration—this guy at the head of this network, the chairman of this holding company of terrorism, is the one who is responsible.

And as we are able to provide information that is not sensitive or classified, I think we will try to do that in every way.

The President. Yes, Helen [Helen Thomas, Hearst Newspapers].

Russia/Saudi Arabia

Q. How much cooperation are you getting from Russia? And is Saudi Arabia going to allow us to use its airbase, or aren't you allowed to talk about it?

The President. Well, first, I had an hour-long discussion—nearly an hour-long discussion with President Putin on Saturday. He was very forthcoming in his willingness to work closely with the United States in our efforts to battle terrorism. I was very pleased with my discussion, Helen. I found him to be a person who—first of all, understands the vision that we've entered into a new conflict in the 21st century.

You need to know that when I was on Air Force One and ordered alerts—increased alert status for our troops, President Putin was the first call I got. And he made it clear that he would stand down their troops. In other words, to me it was a moment where it clearly said to me, he understands the cold war is over. In the past, as you well know, that had the President put the—raised the DEFCON levels of our troops, Russia would have responded accordingly. There would have been inevitable tension.

Along those—the reason I bring that up is that Vladimir Putin clearly understands that the cold war is over and that the United States and Russia can cooperate. We can cooperate with a new strategic arrangement. We can cooperate in the battle against terrorism. We talked about a lot of areas of the world. We talked about the Central Asian republics. And as you know, they have been forthcoming in their statements about their understanding of a potential campaign. And I told him I appreciated his willingness to work with us in that area.

And so it was a very constructive dialog. He also understands that terrorist activity is going to require a—to fight terrorist activity is going to require a broad front, and that his nation, like ours, is subject to terrorist attack.

As far as the Saudi Arabians go—and again, the Secretary can comment on this; he's had more recent contact with them than I have—but they've been nothing but cooperative. Our dialog has been one of—as you would expect friends to be able to discuss issues. And my discussion with the Foreign

Minister, as well as the Ambassador, have been very positive. And there's been no indication, as far as I'm concerned, that the Saudis won't cooperate once they understand exactly our mission.

Secretary Powell. That's exactly right, Mr. President. They have not turned down any requests that we have presented to them.

Waiver of Sanctions

Q. Mr. President, are you asking Congress for the power to waive military restrictions on countries—on all countries that help us, including those we've considered as rogue nations? And if so, why?

The President. No, you're—I think you're referring to—first of all, we've waived the sanctions on Pakistan and India, as related to the Glenn act. But I think you're referring to a report that we were going to ask for a blanket—blanket exceptions or blanket waivers for—and the answer is no, we're not. That's an erroneous report.

Q. [*Inaudible*]*—just case-by-case now, is that idea, like—*

The President. Well, where given the—where the law allows, I will do it case-by-case. But we don't intend to ask Congress for a blanket waiver, as reported in one of the journals.

Afghanistan

Q. Mr. President, last week you condemned the Taliban regime, and said that if they did not comply with your demands, they would share the fate of the terrorists. That raises the question, what is your administration, and other coalition members, planning to do to maintain stability and order in Central Asia? Are we supporting this exiled King, the northern insurgency, some U.N. administration? What are our goals there, if the Taliban are to be removed?

The President. Terry [Terry Moran, ABC News], I—first of all, we were mindful that every action could have a consequence. And as you know, we have spent a lot of time and effort and focus on Pakistan. I just talked about the waiving of sanctions with Pakistan and India. We believe that will bring stability to that part of the world. We have talked to other friends about how to make sure that

the Musharraf Presidency is a stable presence in that part of the world.

In terms of activities within Afghanistan, I'm not going to talk about those. I will not jeopardize our mission in any way by talking about military or in-country plans. We have a responsibility as an administration to speak as candidly as we can to the American people but without jeopardizing life. And so, therefore, we will be willing to discuss that very important question at an appropriate time, and now is not the appropriate time.

U.S. Financial Sanctions Against Terrorist Assets

Q. Mr. President, to put some perspective into all of this, how much—can you tell us a rough estimate of how much the Al Qaida network is worth domestically, and perhaps and/or worldwide?

The President. Well, I think in my statement I made it clear that we don't anticipate many assets to be frozen here in the United States and that most of the assets will be overseas. And one of the jobs that the Secretary of Treasury is going to do is to help us identify the size of the organization's balance sheet.

I can't give you a rough estimate right now.

Q. [*Inaudible*]*—tens of millions? Hundreds of millions?*

The President. But let's put it this way—enough to fund terrorist activity that threatens freedom. And there are—take, for example, the non-governmental organizations. They run a fair amount of money through their organizations—and we're beginning, as you can tell from the list we've laid out, or will be able to tell from the list, that we're beginning to set priorities of those most egregious—and they're serving as fronts for terrorist activities. I don't know the full amount of their cash flows, but one dime of money into a terrorist activity is one dime too much.

And we know that these organizations cannot function if we're able to—the way they want to—if we're able to chop off their monies. And we intend to do so. And we've got a big task ahead. In Europe, for example, there are probably going to need to be some laws changed in order for those governments to react the way we expect them to. That's why I said in my comment, while we now—

while the Secretary of Treasury now has the option of providing some draconian measure, we will look at it on a case-by-case basis. We expect there to be a complete and full effort to join us in affecting terrorist organizations in all ways, shapes, and forms.

The reason why we held this statement in the Rose Garden is it helps the American people understand we are waging a different kind of war. It is a war that is going to take a while. It is a war that will have many fronts. It is a war that will require the United States to use our influence in a variety of areas in order to win it. And one area is financial.

We know there are some banks, for example, that provide easy access money for terrorist organizations. We will deal with them. And if we can't deal with them individually, we will call upon our friends to deal with them.

One of the interesting things that the Secretary can tell you—both Secretaries will tell you—is a lot of nations and their representatives have asked, "How can we help? What can we do to join the effort?" Some nations will feel comfortable providing troops. Some nations will feel comfortable providing intelligence. Some nations will only feel comfortable helping us wage the battle on the financial front; and that's fine by us, because we understand how important it is to stop the flow of funds.

National Economy

Q. Mr. President, one question on the economy. How concerned are you about consumer confidence right now? People are afraid to fly; they're not traveling. And are you, at this point, concerned that the economy has already dipped into a recession?

The President. Well, I'm—I haven't seen—I'm not a statistician, but I've got enough anecdotal evidence to tell you there are people hurting, and there are a little too many layoffs. And any time somebody loses a job in America, I'm concerned.

And I'm concerned about the shock this has had on our economy, and I'm concerned about, obviously, the effect of the airlines, for example, the weakness in the airline sector has had on the economy. That's why I signed the bill as soon as Congress passed it, to provide some non-recourse loans to the

airlines, to keep them up and running right now.

But I want to assure the American people that the fundamentals for growth are very strong. That which made us unique in the world existed prior to September—that existed prior to September 11th exists today. We're still a nation of entrepreneurs and small-business vitality. We're still a nation of innovation. We've got a very good tax structure.

There is no question the attacks have affected America, but I think when the investors sit back and take a hard look at the fundamentals of the economy, they'll get back in the market. I think that consumers will realize life is going on. I think people appreciate the fact that our Government has come together to act in a very significant way, to provide monies where necessary, for—whether it be to help rebuild New York or whether it be to provide a financial basis for airlines to stay in business. We'll come out of this, and we'll come out of it strong.

See, these terrorists thought they could affect the United States. They thought they could diminish our soul. They just strengthened our country. And while the numbers aren't going to look too good in the short run, we'll be a stronger nation as a result of this. And they've miscalculated. They made a terrible mistake. They thought somehow they could affect the psyche of our country. They're wrong.

And not only that, we'll prove them wrong. They have roused the ire of a great nation. And we're going to smoke them out of their caves and get them running. And we're going to use every means at our disposal to do so. And this is going to require patience and focus and discipline on behalf of the—by the American people and by my administration.

No, I understand 6 months from now we'll be sitting around talking about some statistic or something—maybe there will be an argument in Congress about some issue or something like that. But the American people have got to understand that when I held up that badge, I meant it: This war on terrorism is my primary focus. Of course I'm concerned about people being laid off. Of course I'm concerned about the pieces of legislation that may be stalled.

But we are talking about a campaign against people who hate freedom. And the legacy that this administration and this generation can leave for future generations is a legacy that is so vital for the underpinnings of this nation and others who love freedom.

And so I—we're a great nation, and the world has seen how great we are. And you bet there are problems with our economy short run but not long run. And you bet there's a concern about whether or not we'll be able to wrap up every financial instrument used to fund terrorism.

But make no mistake about it, we're going after them all. And we'll win; we're going to win. Terrorists are going to realize they can't face down freedom. Terrorists are going to realize they made a big mistake; they miscalculated America. And I think they miscalculate a lot of our allies and friends, too. There is a determined will, and we accept the challenge in this administration.

Thank you all.

NOTE: The President spoke at 9:35 a.m. in the Rose Garden at the White House. In his remarks, he referred to President Vladimir Putin of Russia; Minister of Foreign Affairs Prince Saud al-Faysal and Ambassador to U.S. Prince Bandar bin Sultan bin Abd al-Aziz al of Saudi Arabia; Muhammad Zahir Shah, former King of Afghanistan; and President Pervez Musharraf of Pakistan. He also referred to Public Law 103–236, title VIII, section 826, the “Glenn amendment” to the Arms Export Control Act.

Remarks Following Discussions With Prime Minister Jean Chretien of Canada

September 24, 2001

President Bush. It's my honor to welcome our close friend Jean Chretien to the White House again. Thank you for coming.

You know, after this terrible incident on September 11th, one of the first phone calls I received was from the Prime Minister, offering all his support and condolences to the United States and our citizens. It was like getting a phone call from a brother, and I appreciate that so very much.

We've got a great partner in our neighborhood who understands what I know, that we